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EXAMINER	
MYHRE, JAMES W	

ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 09/17/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/617,455	Applicant(s) KRAFT ET AL.	
	Examiner James W Myhre	Art Unit 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *19 July 2004*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-26* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-26* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Arguments

1. In view of the Appeal Brief filed on July19, 2004, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-16 and 22-26 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings

and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held

that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

> The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.,* the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions

that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the above claims do not clearly indicate what steps or features are being performed by technology, such as a computer or through a computer network. For example, in Claim 1 a keyword analyzer could be a person scanning the content of a printed page, the module for determining the desirability of an advertisement could also be the same or a different person mentally matching the page's content with available advertisements, and then displaying (showing) the selected advertisement to someone (presumably a potential customer). In order to overcome this rejection, the Examiner suggests the Applicant amend the terminology in

the claims to more clearly indicate which steps are being performed by what type of technology, such as "an electronic keyword analyzer for..."; an electronic banner display module for automatically determining..."; and "the electronic banner display module selectively displaying at least a portion of the advertisement on a display screen if...". The Examiner also notes that the claimed "page" should be change to "web page" or "electronic page" to clarify the environment in which the system is operating.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

4. Claims 1-3, 17, 18, 22, and 23 are rejected under 35 U.S.C. 102(e) as being anticipated by Kurtzman II et al (6,144,944).

Claims 1, 17, and 22: Kurtzman discloses a system, method and program for adapting an advertisement based on the content of a page, comprising:

a. analyzing the page content (col 4, lines50-57);

b. determining the desirability of the advertisement with the page (col 4, lines 32-34); and

c. displaying at least a portion of the desirable advertisement (col 5, lines 44-50).

Claims 2, 3, 18, and 23: Kurtzman discloses a system, method, and program for adapting an advertisement based on the content of a page as in Claims 1, 17, and 22 above, and further discloses not displaying inappropriate advertisements (col 23, lines 48-49) and displaying a first portion of the advertisement pending retrieval of a second portion of the advertisement (col 7, lines 32-39).

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6. Claims 4-16, 19-21, and 24-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kurtzman II et al (6,144,944).

Claims 4-7, 19, and 24: Kurtzman discloses a system, method, and program for adapting an advertisement based on the content of a page as in Claims 3, 18, and 23 above, and further discloses displaying static or dynamic portions of an advertisement, multimedia file, executable code or hyperlink (col 2, lines 14-17 and 53-58). However, Kurtzman does not explicitly disclose that the first portion of the advertisement is a static portion which includes an advertiser's logo. Official Notice is taken that it is old and well

known within the marketing arts to disclose static symbols or text (such as "Downloading") to a user while a file is being downloaded through a network. It is also well known for a company or advertiser to display its logo, such as has been done by network television stations displaying their call sign and logo during periods of non-reception or outages. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to display a static message, such as a logo, to the user while the system was waiting for the rest of the advertisement (such as Kurtzman's video advertisement) to finish downloading. One would have been motivated to display such a static logo while waiting for the rest of the advertisement to download in order to prevent the user being presented with a "blank" screen during the wait time.

Claims 8, 9, 20, and 25: Kurtzman discloses a system, method, and program for adapting an advertisement based on the content of a page as in Claims 7, 19, and 24 above, and further discloses an ad server with an address (col 6, lines 22-36) and selecting a category for the advertisement based on the content of the page (col 4, lines 50-57).

Claims 10, 11, 21, and 26: Kurtzman discloses a system, method, and program for adapting an advertisement based on the content of a page as in Claims 9, 20 and 25 above, and further discloses sending the selected category, keyword, and ad server

address to the router and the selected category, session information, and keyword to the ad server (col 6, lines 10-36).

Claim 12: Kurtzman discloses a system for adapting an advertisement based on the content of a page as in Claim 8 above, and further discloses the system including a banner advertising manager (col 5, lines 59-64).

Claim 13: Kurtzman discloses a system for adapting an advertisement based on the content of a page as in Claim 12 above, and further discloses an indexer which indexes the hyperlinks (addresses) for the content of the advertiser's site (col5, lines 22-37).

Claim 14: Kurtzman discloses a system for adapting an advertisement based on the content of a page as in Claim 13 above, and further discloses an ad repository (database) for storing one or more of an advertisement, a multimedia file, or an executable code (col 5, lines 59-64).

Claim 15: Kurtzman discloses a system for adapting an advertisement based on the content of a page as in Claim 9 above, and further discloses comparing the current and selected category when selecting the advertisement (col 4, lines 50-57).

Claim 16: Kurtzman discloses a system for adapting an advertisement based on the content of a page as in Claim 15 above, but does not explicitly disclose using a domain specific dictionary to refine a selected category. However, Official Notice is taken that it is old and well known is the database arts to use such dictionaries and/or thesauruses to refine search terms. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use such a dictionary to refine the selected category in Kurtzman. One would have been motivated to use a dictionary to refine the search in order to include advertisements which use synonyms to the selected term, such as "merchant" or "vendor" when searching for a "seller".

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Dedrick (5,696,965) discloses a system, method, and program which provides advertisements to a web page visitor based on the content of the web page, the visitor demographics, or other criteria.

b. Reilly et al (5,740,549) discloses a system, method, and program which inserts targeted advertisements into a web browser based on user preferences and categories.

c. Angles et al (5,933,811) discloses a system, method, and program to deliver customized advertisements within interactive communication systems based on consumer profiles.

d. Merriman et al (5,948,061) discloses a system, method, and program for delivering, targeting, and measuring advertisement over networks based on the profile of the individual and/or network site.

e. Murray (6,061,659) discloses a system, method, and program for integrating advertisement messages with a content page based on the content page environment.

f. Lazarus et al (6,134,532) discloses a system, method, and program for matching users with the most relevant advertisements in real-time based on observed user behavior, i.e. web browsing.

g. Markowitz et al (6,311,185) discloses a system, method, and program for modifying an information page (web page) to include advertisements based on the content of the web page.

h. Cottingham (6,339,761) discloses a system, method, and program for providing advertisements to web browsers based on numerous targeting criteria.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached Monday through Thursday from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number

for Formal or Official faxes to Technology Center 3600 is (703) 872-9306. Draft or Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.

JWM
September 15, 2004

James W. Myhre
Primary Examiner
Art Unit 3622